

SINGAPORE INVESTMENT DEVELOPMENTS

April – September 2004

S U M M A R Y

1. The U.S. remained Singapore's number one source of foreign direct investment (FDI) as of year-end 2002, accounting for almost US\$20 billion or 14.5 percent of Singapore's total inward FDI of US\$137.4 billion. Singapore invested US\$85.5 billion overseas during the same period, with ASEAN member countries, taken collectively, representing the top recipient at US\$17.6 billion, or 21 percent of total outward investment. China/Hong Kong constituted Singapore's second favorite destination, with FDI totaling US\$17.1 billion or 20 percent of total investment.

2. According to recent government reports, corporate disclosures on the Singapore Stock Exchange (SGX) and media reports, Singapore's level of domestic and overseas investments remained strong during the April to September 2004 timeframe. Government-linked companies (GLCs) and listed companies on the Singapore Exchange (SGX) continued to account for the bulk of this investment. The Singapore Government's investment arm, Temasek Holdings, announced five new investment initiatives during this period.

3. Domestic investment activities were particularly robust. The public listing of Singapore's third largest telecoms operator, Starhub, for example, raised S\$457.7 million (US\$277 million). Temasek Holdings spent S\$1.57 billion (US\$950 million) to increase its ownership of publicly listed Neptune Orient Lines (NOL) from 32.6 percent to 68.6 percent. Multinational corporations (MNCs), including Pzifer, GlaxoSmithKline, Kimberly-Clark and Sumitomo Seika, made large-scale investments in manufacturing. The services sector similarly benefited from significant investments by Mobileway, Lucasfilm Animation, joint ventures SIA Engineering/Jamco America, and the Singapore Economic Development Board

(EDB)/University of New South Wales (Australia). Singapore attracted major biotech and life sciences-related investments, including the establishment of ES Cell International and the Juvenile Diabetes Research Foundation International (U.S.). Investors also opened a number of research and development centers during this period, including: MediaTek, Essilor, Welch Allyn, Solomon Systech, the Novartis Institute for Tropical Disease and Waseda-Olympus Bioscience Research Institute. A number of companies chose to establish regional/international headquarters in Singapore during this period, including: Philips Medical Systems, Van Leeuwen, Mobile 363, Fujitsu Asia, Herrenknecht and Volvo. Other companies, however, opted to move their regional headquarters, most notably General Motors Overseas Distribution Corporation to Shanghai and Messe Frankfurt GmbH to Bangkok.

4. Singapore Power led one of the biggest overseas investment projects during this period with its purchase of TUX, an Australian utility plant, for US\$3.9 billion. SGX-listed companies and GLCs continued to lead the investment flow into China, targeting in particular the environment, publishing, manufacturing, research and development, and real estate sectors. Within ASEAN, Singapore investments continued to flow primarily towards Malaysia and Indonesia, and to a lesser extent Thailand and Vietnam. Elsewhere, Singapore companies invested in the U.S., France, England, Hungary, India, Australia and Tanzania.

5. A key divestment during this period was the sale of Temasek Holding's 78.4 percent equity stake in Changi International Airport Services Private Ltd. to Dnata (Emirates Group) at an undisclosed amount.

Notes: The information in this survey is based on publicly available information, including government reports, corporate disclosures on the Singapore Stock Exchange (SGX) and media reports. This investment report and other topical economic reports are posted on the Embassy's Internet site: <http://singapore.usembassy.gov/>

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INFLOWS: DOMESTIC INVESTMENTS

6. According to a Singapore government report, "Foreign Equity Investment in Singapore, 2001-2002," the U.S. has been the number one source of actual FDI for three consecutive years, from 2000 to 2002. The U.S. accounted for 14.5 percent of Singapore's total inward FDI of S\$238.6 billion (US\$137.4 billion) as of end-2002. In terms of Singapore's total FDI, the bulk was channeled into the manufacturing and financial sectors (36.3 percent and 35.2 percent of total FDI, respectively). FDI in manufacturing was concentrated in the electronics, chemicals and petroleum industries.

Table: Top Ten Investors, 2000-2002, Actual FDI as at
Year-End
(US\$ billion)

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total FDI		112.6	122.5
Of which:			137.4
United States		18.4	20.1
Japan		16.9	16.2
United Kingdom		5.1	8.0
Netherlands		16.9	19.4
Switzerland		9.3	8.5
British Virgin Islands		6.4	7.5
Cayman Islands		4.0	5.5
Bahamas		2.4	4.3
Germany		2.4	3.5
Bermuda		3.6	3.1

Source: Department of Statistics

7. Investments in manufacturing continued to constitute the lion's share of total inward FDI from April to September 2004. In the pharmaceutical sector, two manufacturers expanded their operations in Singapore. Pharmaceutical giant Pzifer opened its S\$600 million (US\$363 million) multi-purpose facility for the manufacture of active ingredients used in Neurontin (used in the treatment of epilepsy). GlaxoSmithKline opened a S\$100 million (US\$60 million) facility as part of its Phase III production operation.

8. Other manufacturing investments during this period included:

- Kimberly-Clark's US\$42 million disposable diaper manufacturing facility.
- Sumitomo Seika Singapore's planned investment of S\$31.5 million (US\$19 million) to expand its existing manufacturing plant in Singapore to cater to rising demand for super-absorbent resins used in personal hygiene products.
- EDB Ventures (the investment arm of the Singapore Economic Development Board (EDB)), and SGX-listed Fu Yu Co.'s joint investment of S\$18 million (US\$11 million) to set up NanoTechnology Manufacturing. NanoTechnology will make high-end tooling, molding, metal stamping and surface treatments for the medical devices and photonics industries. Fu Yu and EDB Ventures will hold 80 percent and 20 percent stakes, respectively, in the new company.

9. In the services sector, Starhub garnered considerably publicity when, as Singapore's third largest telecoms operator, it listed 22.8 percent of its shares (481.8 million shares) at S\$0.95 per share on the SGX, raising a total of S\$457.7 million (US\$277 million). These shares were previously held by NTT Investment Singapore Private Ltd. (17 percent), MediaCorp Private Limited (0.2 percent, BT (Netherlands) Holdings B.V. (47.5 percent) and Singapore Press Holdings Ltd (35.4 percent). Starhub is still majority-owned (62 percent) by Singapore Technologies Telemedia Private Ltd., a wholly-owned subsidiary of Singapore Technologies, which in turn is wholly-owned by Temasek Holdings.

10. In the shipping industry, a key development was Temasek Holdings' S\$1.57 billion (US\$950 million) purchase of additional shares (through its wholly-owned subsidiary, Lentor Investments Private Ltd.), of Neptune Orient Lines, thereby increasing its ownership from 32.6 percent to 68.6 percent.

11. Other services investments included:

- Temasek Holdings' incorporation of Aetos Security Management Private Ltd. to oversee the security units of PSA Corporation Ltd. and Singapore Technologies Kinetics Ltd. Both companies will outsource their security requirements to Aetos, which aims to become a specialized provider of customized solutions for high security installations in Singapore and the region.
- Mobileway's (Temasek-linked Vertex Management's U.S. portfolio company) relocation of its global hub operations to Singapore. A leading provider of mobile content and network services, Mobileway plans to invest about US\$8.8 million over the next three years to expand further into the Asian region.
- Qantas' incorporation of Jetstar Asia to operate a budget airline, using Singapore as its base. Qantas holds a 49.9 percent equity stake, while Temasek Holdings and two other private individual investors hold the remaining balance. Qantas will contribute S\$50 million (US\$30 million) towards the company's set-up costs, while another S\$50 million (US\$30 million) will be put up by the other shareholders.
- SGX-listed SIA Engineering Company's joint venture with Jamco Corporation and Jamco America, Inc. to provide turnkey solutions for aircraft interior modifications. The joint venture, to be incorporated in Singapore as Jamco Aero Design and Engineering Private Limited (JADE), will have a paid-up capital of US\$1 million, with SIA Engineering holding a 45 percent equity stake. Jamco America and Jamco Corporation will own the remainder.
- The proposed establishment of Singapore's first foreign private university by the Singapore Economic

Development Board and the University of New South Wales (Australia) - UNSW Singapore. The school will operate as a research and teaching campus, targeting mainly foreigners, with an expected enrollment of up to 15,000 students. According to EDB, UNSW will contribute at least S\$500 million (US\$303 million) annually to Singapore's economy.

- The launch of Lucasfilm Animation Singapore, a digital animation studio that will produce digital animated content, including films, television and games.
- The partnership between the Juvenile Diabetes Research Foundation International (JDRF) in the U.S. and ES Cell International (ESI), a stem cell therapy company based in Singapore, to research and develop techniques for converting human embryonic stem (hES) cells into insulin-producing islets cells used to treat Type 1 diabetes.

Research and Development Centers

12. The April to September 2004 timeframe also saw plans to establish several research and development centers. Taiwanese MediaTek Inc., a leading provider of total solutions for optical storage and digital consumer semiconductor design, plans to invest over \$50 million (US\$30 million) in a research and development center in Singapore. Other centers include:

- Essilor, a French company and one of the world's leading corrective lens manufacturer, set up a S\$2 million (US\$1.2 million) research and development center in Singapore.
- Welch Allyn, one of the world's biggest manufacturers of frontline medical products and solutions, opened its first Asia-Pacific research and development facility in Singapore.
- Solomon Systech, one of the world's leading fabless, independent providers of display IC drivers, set up its design operations in Singapore.

- The Novartis Institute for Tropical Diseases (NITD), which houses a team of 64 researchers from all over the world, conducts joint research projects with the National University of Singapore, Nanyang Technological University, the Genome Institute of Singapore (GIS), local biotech companies and international organizations.
- The Waseda-Olympus Bioscience Research Institute, which undertakes joint research projects concerning neurological functions, in particular sleep disorders.

REGIONAL HUB STATUS

13. Several foreign companies established or announced plans to set up regional headquarters in Singapore during this period. Philips Medical Systems set up a distribution/storage facility for medical spare parts of diagnostic imaging systems. Another Dutch company, Van Leeuwen Pipe and Tube, established a facility to warehouse pipes, valves, flanges and other fittings for its clients in the petrochemical, upstream/offshore, power, pharmaceutical and construction industries.

14. Other regional headquarters announcements included:

- U.S. company Mobile 363, a merger of Mobileway and InphoMatch, announced its plans to launch its global hub operations in Singapore, with a total investment of S\$15 million (US\$9.1 million) within the next three years. The hub will develop and deploy next-generation mobile application platforms, targeting over 90 percent of mobile users worldwide.
- GE (General Electric) Energy moved its Asia-Pacific headquarters from Hong Kong, where it had operated the past 10 years. In Singapore, GE Energy supplies its gas turbine generators to the S\$2 billion (US\$1.2 billion) Changi Water Reclamation Plant. GE also hopes to tap into new undertakings such as Singapore's plans to further develop its oil refining sector, open an LNG terminal and set up a market for trading gas contracts.

- Japan's Fujitsu Asia Group, which has had its Southeast Asian headquarters in Singapore since 1997, has now converted this base into its international headquarters with an additional investment of S\$47 million (US\$29 million) to enhance its administrative, logistics, strategic business development, marketing and sales operations.
- Germany's Herrenknecht, a manufacturer of tunneling machines for building sewerage, road and train tunnels, set up its Asia-Pacific headquarters in Singapore, and will invest up to S\$5 million (US\$3 million) to service its customers in the region.
- Sweden's Volvo established its Asian headquarters to serve as a regional center for parts distribution/storage, training, engine packaging, re-manufacturing, and specialized equipment repair.

15. Two major companies announced plans to move their Asia-Pacific headquarters out of Singapore during this period. General Motors will relocate Shanghai by January 2005. German exhibition organizer Messe Frankfurt GmbH will relocate its branch office from Singapore to Bangkok to stage its trade shows for the Asian market. The world's third largest trade fair organizer sees Singapore's status as a trade fair hub in Southeast Asia being replaced by Bangkok. Messe Frankfurt GmbH has subsidiaries in Tokyo, Seoul, Hong Kong, Shanghai and Bombay.

OUTFLOWS: OVERSEAS INVESTMENTS

16. According to the Singapore Department of Statistics ("Singapore's Investments Abroad, 2001-2002"), Singapore companies had invested US\$85.5 billion abroad by year-end 2002. Of this amount, US\$25.4 billion, or 25 percent, was invested through subsidiaries set up in the British Virgin Islands, Bermuda, Mauritius and the Cayman Islands. Singapore companies put more money into China/Hong Kong than anywhere else, approximately 20 percent of the total direct investment. In comparison, direct investment in the U.S. accounted for 5 percent of the total.

Table: Top Ten Investment Destinations, 2000-2002, Actual
Investment as at Year-End
(US\$ billion)

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total		56.8	75.5
			85.5
		Of which:	
ASEAN		13.6	15.4
-Malaysia		5.7	6.1
-Indonesia		3.2	4.1
British Virgin Islands		2.1	9.2
			10.7
China		9.1	9.5
Hong Kong		4.9	6.3
Bermuda		2.2	6.6
United States		3.6	4.0
Mauritius		2.8	3.0
United Kingdom		2.8	3.7
Cayman Islands		1.3	2.6
			2.8

Source: Department of Statistics

Greater China

17. SGX-listed companies and GLCs continued to be the primary investors in China. These include:

Environment

- Several investments in environmental projects came to fruition during this period. SGX-listed Eco Water and China Yunnan Lanping TL Hydraulic Power Co. set up a 50:50 partnership - Yunnan Tian Long Eco water Hydro Investment Co. - to handle water and wastewater treatment, hydropower projects, and environment consultancy services. Initial investment will amount to about S\$8.3 million (US\$5.0 million).
- SGX-listed Hyflux announced its alliance with China National Environmental Protection Corporation (CNEPC) through the signing of a memorandum of understanding to collaborate in environmental protection projects. CNEPC, which was spun off in 1985 from the State Environmental Protection Administration, has a registered capital of S\$229 million (US\$139 million)

and total assets of S\$625 million (US\$378 million). CNEPC and Hyflux have identified five projects for joint investments, mainly in wastewater treatment and recycling and seawater desalination.

- SGX-listed Asia Environment and China's Nantong city government signed a framework agreement to construct a Build-Operate-Transfer water plant at an estimated cost of S\$73.4 million (US\$44.4 million). Apart from granting Asia Environment the rights to fund-raising, construction, operation and management of the project, the agreement also gave the company the right of first refusal to construct phases two and three of the plant.
- SGX-listed SembCorp Industries, through its waste management unit, SembCorp Environment Management, invested S\$47 million (US\$28.5 million) in a JV with Shanghai Environment Investment (SEI), the largest state-owned enterprise in waste management in Shanghai.
- China-based SGX-listed China Infrastructure, through its wholly-owned subsidiary China (Tianjin) Water Resources Ltd., started a JV with the Tianjin Municipal Tanggu District Drain Management Department to construct, operate and manage the Tanggu District Supplementary Water Supply Network Project. Initial investments will amount to RMB 100 billion (US\$3.0 billion) with China (Tianjin) contributing 60 percent.
- SGX-listed China Enersave and Hong Kong-based Richway Energy jointly invested in a waste-to-energy plant in Qingdao, with China Enersave taking 48 percent ownership. The project, which has a 30-year term, is estimated to cost S\$96 million (US\$58 million). China Enersave's investment is approximately S\$11.8 million (US\$7.1 million).

Services

18. Four companies announced publishing-related investments:

- SGX-listed Popular Holdings' book distribution joint venture with China National Publishing Industry

Trading Corporation. Popular will invest S\$110,500 (US\$67,000) for 51 percent of the JV which will focus on distributing Chinese publications outside of China and import overseas-published English and Chinese books into China.

- SGX-listed Ei-Nets and the Heilongjiang Daily Press Group, owned by the Government of Heilongjiang Province, jointly set up a company to publish and distribute newspapers, magazines and other publications. Ei-Nets will contribute S\$75,000 (US\$45,000) in cash initially, while Heilongjiang Daily Press will contribute equipment, space, manpower and advertisement costs.
- SGX-listed Fraser and Neave (FandN) through its Hong Kong subsidiary Times Publishing (HK) Ltd. teamed up with HK Infomedia Capital Group Ltd. and China Universal Press and Publication Co. Ltd. to set up Beijing Universal Times Culture Development. Co. Ltd. to produce cultural and educational materials for China's market.
- FandN's subsidiary, Times Publishing, has also entered into a 51 percent joint venture with Shanxi Xinhua Printing Co. Ltd. to set up Shanxi Xinhua Times Packaging Printing Co. Ltd.; Total registered capital is RMB 50 million (US\$1.5 million).

19. In air services, SGX-listed companies A-sonic and Airocean teamed up with Guangdong China Travel Service Holdings (GCTS) and Hong Kong-based China Xpress Private Ltd. to start a low-cost domestic carrier to service Chinese cities, using Guangzhou airport as its hub. GCTS, which is owned by the Guangdong provincial government, will pay 51 percent of the initial capital of S\$17 million (US\$10 million). The rest of the capital will be paid by A-sonic (25 percent), Airocean (19 percent) and China Xpress (5 percent). A-sonic and Airocean have also jointly set up a courier company to service the Chinese market. Incorporated in Hong Kong through A-sonic's subsidiary UBI Logistics Ltd., Express Courier Services will be capitalized at US\$3.0 million (US\$1.8 million), of which 30 percent will be paid by A-sonic and the other 70 percent by Airocean.

20. In transport services, SGX-listed ComfortDelgro Ltd has teamed up with Shenyang Anyun Group Co. to form a \$44 million bus operation to provide urban scheduled public transport services, tour coach chartering, and rental of advertising space on the buses/bus stops and automotive repair and maintenance services in China. ComfortDelgro will pay S\$22.1 million (US\$13 million), equivalent to 80 percent the venture's equity.

21. In food and agriculture, SGX-listed food group QAF bought 27 percent of China Delisi Holdings, a Shandong-based meat supplier and exporter, for S\$17.2 million (US\$10 million). China Delisi hopes to get a listing in Singapore in June 2005.

Manufacturing

22. Investments in manufacturing included:

- SGX-listed Sunningdale Precision incorporated, a wholly-owned subsidiary in Shanghai, set up Sunningdale Precision Technology. The company will invest US\$11.92 million to design and manufacture precision molds and make injection moldings of plastic components for automobile parts.
- SGX-listed Total Automation, and China company COSCO Shipyard Group Co. Ltd., set up Cosco-Shipyard Total Automation Co. Ltd. to manufacture electronic control systems and provide repair and refitting services for electronic, hydraulic and other automation systems of vessels. Total Automation will own 40 percent of the new company, which has a registered capital of US\$1.0 million.
- SGX-listed Permasteelisa Pacific Holdings purchased Josef Gartner GmbH's subsidiaries Gartner Japan KK, Josef Gartner Curtain Wall (Shanghai) and Josef Gartner and Co. (Hong Kong), for a total of S\$44 million (US\$27 million). The acquisition will expand Permasteelisa's business in designing, manufacturing and installing aluminum facades for highrise buildings, and also enhance its competitiveness in the China market.
- SGX-listed Showy International Ltd., through its wholly owned subsidiary Showy Overseas, incorporated Showy Industrial (Ningbo) Co. Ltd. in the Ningbo Free

Trade Zone to manufacture sanitary hardware and kitchen accessories. Total investments in the facility are estimated at US\$3.0 (US\$1.8 million).

- SGX-listed Roly International purchased, through its wholly owned subsidiary, Pacific Genius Group, a 51 percent equity stake in Hong Kong-based Byford International for HK\$51 million (US\$1.5 million). Byford manufactures men's undergarments and socks.

- Privately owned Sunnyland Finance invested US\$2 million for a 51 percent stake in Alegon Private Ltd., a Chinese company jointly set up by Sunnyland's directors and two Peking University professors, who own the other 49 percent stake. Alegon produces chemotherapy drugs which have been granted patents in China and Europe, and have patents pending in the U.S., Taiwan, Australia and Canada.

23. In manufacturing research and development, China-based, SGX-listed AsiaPharm Group, through its wholly-owned subsidiary, Shandong Luye Pharmaceutical Co. Ltd., and Yantai University have jointly set up a pharmaceutical facility under the name of Yantai University Pharmaceutical College. Based on a 50:50 cost sharing arrangement with funds raised on the SGX, Shandong Luye will inject RMB 5 million (US\$150,000) for scientific instruments and other laboratory facilities, while Yantai University will provide the land and for interior furnishings.

Infrastructure/Real Estate

24. Investments in infrastructure/real estate included:

- Privately owned Singapore investment holding company, Hai Hua Singapore International, signed an agreement with the municipal government in Dafeng, Jiangsu Province to build a port along Jiangsu's coast. Hai Hua has secured cooperation for the project from Jurong International (private arm of the Singapore government's industrialization agency, Jurong Town Corporation) and Ascendas, a business park management company.

- CapitaLand paid S\$26 million (US\$16 million) for a 90 percent stake in Shanghai Xinshu Real Estate Development Co., thereby giving it ownership of a new plot of

residential land in Baoshan, Shanghai, with the capacity to build 700 new homes.

- CapitaLand bought 80.1 percent of Hong Kong-based Rich Fook Development, owner of a residential site in Beijing's Chaoyang district. Valued at S\$58 million (US\$35 million) the site will be developed into an upmarket residential area consisting of 230 detached homes.
- SGX-listed Food Junction invested \$3-5 million (US\$1.8-3.0 million) in renovating a new food court site at the Four Seasons Shopping Center in Beijing.

ASEAN

25. ASEAN member countries, taken as a whole, remain Singapore's primary recipient of investment flows. Singapore invested in three energy projects in Indonesia:

- SGX-listed Federal International (2000) Ltd and PT Jaya Wijaya Raya set up a US\$300,000 joint venture to carry out EPC (Engineering, Procurement and Construction) projects for the oil and gas industry in Indonesia. Known as Federal JWR Energy Private Ltd., with Federal International holding a 40 percent stake, the joint venture has been awarded its first contract worth US\$21.6 million by TAC-Pertamina-PT Semberani Persada Oil.
- SGX-listed Interra Resources, through its subsidiary PT Central Infinity Utama, paid US\$7.0 million for 70 percent of PT Retco Prima Energi. PT Retco Prima Energi operates the Tanjung Mining oilfield, with estimated potential recoverable reserves of 33.2 million barrels of oil.
- SGX-listed Singapore Petroleum Co. Ltd. (SPC), through its wholly owned subsidiary SPC Production Co., acquired from U.S.-based El Paso Production Oil and Gas Co. 100 percent of Coastal Indonesia Sampang Ltd.'s equity for US\$23.2 million. Coastal owns a 40 percent working interest in the Sampang Production Sharing Contract which contains the Oyong oil and gas field.

26. Other investments in Indonesia included SGX-listed, government-linked Singapore Computer Systems (SCS) and PT

Astra Graphia's S\$15.4 million (US\$9.3 million) joint venture for dealing in IT products, solutions and services. SGX-listed Ipco agreed to acquire 40 percent of PT NAP Info Lintas Nusa, which provides interconnection services to the Internet backbone, data recovery and network outsourcing services. SGX-listed Sunningdale Precision Industries acquired PT GP Technology Bintan for S\$900,000 (US\$545,000) for expansion into Indonesia. It will invest another S\$2 million (US\$1.2 million) to double the present facility, which will accommodate future relocation of manufacturing activities from Singapore.

27. In Malaysia, SGX-listed Advanced Systems Automation, through its associate company APS Investment, and Malaysia-listed Unisem (M) Berhad, incorporated Unisem-Advanpack Technologies. APS will take a 35 percent stake in the company, which will have an initial investment of US\$15 million. The company will be involved in wafer bumping and packaging of semiconductor devices based on APS' proprietary technology. Other investments in Malaysia included:

- SGX-listed MCL land agreed to pay US\$1.4 million for 50 percent of Sunrise Berhad's wholly-owned subsidiary, Topical Terrain Sendirian Berhad, which owns property developments in Malaysia.
- SGX-listed SBI E2-Capital Holdings agreed with three Malaysian individuals to set up Ikhlas Ramah Sendiran Berhad to provide corporate finance services, investment advisory services related to securities and other related services. The JV company will be a 60 percent-owned subsidiary of SBI, whose total investments would amount to about US\$200,000.

28. In Thailand, SGX-listed Lam Soon paid S\$17.6 million (US\$11 million) for Thai-listed Universal Food, an exporter of tropical fruits and vegetables to Asia, Australia, America and Europe.

29. In Vietnam, SGX-listed Singapore Petroleum Company (SPC), through its wholly-owned subsidiary SPC Vietnam Co. Ltd., funded US\$3.5 million for a 10 percent interest in a Vietnamese offshore oil prospecting project - Block 102 and 106 Production Sharing Contract. SPC will participate in the exploration with other partners, Petronas Carigali

Overseas, PetroVietnam Investment and Development Co., and ATI Petroleum.

OTHER ASIA INVESTMENTS

30. In Japan, SGX-listed YHI International, through its wholly owned subsidiary, YHI Manufacturing (Singapore), set up TTS International Co. Ltd., together with two Japanese nationals. Capitalized at about US\$160,000, and 60 percent owned by YHI, the Japanese subsidiary will distribute imported and Japanese-made after-market alloy wheels, automotive parts and accessories, secure manufacturing orders from Japanese domestic customers, and act as authorized sales representative in Japan and its manufacturing operations in China and Taiwan.

31. In Korea, SGX-listed Hi-P and Korea-based Samkwang Industry Co. Ltd. formed a JV to provide molding and surface finishing services to customers mainly in the telecommunications industry. Production operations will be located in China. Hi-P's initial investment amounts to S\$1.04 million (US\$630,000) or a 52 percent stake in the JV. Majesty Power International (MPI) paid US\$37 million for a 10-storey building that belongs to South Korea's second largest political party. Located in Seoul's financial district, the building is MPI's first property investment in South Korea.

32. In India, Temasek Holdings acquired a 14 percent share of Hyderabad-based Matrix Laboratories and an 8 percent share of Apollo Hospitals Enterprise, a private healthcare service provider across India with 20 years of experience. Temasek did not reveal the cost of either acquisition.

U.S., Europe and other destinations

33. In the U.S., SGX-listed, GLC-linked k1 Ventures, through its subsidiary Mid Pac Petroleum, bought ConocoPhillips (CoP) retail gasoline assets in Hawaii for US\$38.15 million. CoP owns 34 gas stations on three islands, two product terminals, supply contracts relating to 20 sites on four islands and loan receivables. k1 also owns a Hawaiian gas company which it bought from Citizens Communications Co. for US\$115 million in 2003.

34. In France, SGX-listed, GLC property giant CapitaLand, through its subsidiary Ascott, paid S\$154.4 million (US\$93

million) to wholly acquire European service apartment chain Citadines. Ascott, also SGX-listed, already owned 50 percent of Citadines, which operates over 5,100 serviced apartments in major European cities.

35. SGX-listed ComfortDelgro Group, through its wholly owned subsidiary Metroline PLC, paid S\$9.5 million (US\$5.8 million) for all of F. E. Thorpe and Sons Ltd., a provider of public bus services in North London.

36. SGX-listed Strike Engineering, through its wholly-owned subsidiary Antig Investments, agreed to purchase a 66.25 percent equity stake in Eurowind Hungary Environment, Industrial, Commercial and Supplier Co. Ltd. for about US\$2.0 million. Eurowind designs, plans and constructs wind-power plants.

37. In Australia, Singapore Power (SP) purchased 100 percent of TXU Australia for US\$3.9 billion. Together with its purchase of PowerNet in 2000 for US\$1.3 billion, SP has become one of the largest utility groups in Australia. Other Australian investments included:

- Australia-based SGX-listed Lasseters International Holdings, through its wholly owned subsidiary, Evian Management (Aust) Pty. Ltd., paid S\$5.82 million (US\$3.5 million) to Bowden Investors for its tavern, The Bombay Bicycle Club, located in South Australia.
- SGX-listed A-sonic Aerospace Ltd. invested, through its wholly owned subsidiary Janco International, a total of S\$5.6 million (US\$3.4 million) in CaptiveVision Capital, the single largest shareholder in Australia's low cost carrier in Western Australia, Skywest Limited.

38. In Africa, SGX-listed Bonvests, together with Hotel and Property Development (Kendwa) Ltd., and a private individual investor, set up a company to develop a luxury seaside resort in Zanzibar. Bonvests will invest up to US\$4.5 million for a 90 percent stake in the venture.

DIVESTMENTS OF SINGAPORE GLCs

39. Temasek Holdings sold its entire stake of 78.4 percent in Changi International Airport Services Private Ltd. (CIAS) at an undisclosed sum to Dnata, a member of the Emirates Group. CIAS is an integrated ground handling

services provider at the Singapore Changi Airport. The balance of CIAS' shares is owned by Air France, KLM, China Airlines, Garuda and Lufthansa.

40. As part of efforts to pare down its ownership of Singtel, Singapore's largest telco, Temasek Holdings placed nearly 2 percent, or 339 million ordinary shares, up for sale at S\$2.36 per share to institutional investors. Temasek's shareholdings in SingTel now stands at 62.7 percent after the placement.

41. Overseas, Singapore Computer Systems divested 30 percent of its stake in Bangalore-based software solutions company Kshema Technologies Ltd., selling these shares to Mphasis BFL Ltd. for S\$17.7 million (US\$ 10.7 million). It also divested an 80 percent stake in its New Zealand subsidiary, Ceritas New Zealand Ltd., to Telecom New Zealand Ltd. for NZ\$26 million.